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Honorable James H. Welsh Commissioner of Conservation Department of Natural Resources Office of Conservation P. O. Box 94275 Baton Rouge, Louisiana 70804-9275

RE: Discorbis Zone, Reservoir A ANDREW FIELD

Vermilion Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Hilliard Petroleum, Inc., to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Discorbis Zone, Reservoir A, in the Andrew Field, Vermilion Parish, Louisiana.

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Discorbis Zone, Reservoir A, in the Andrew Field, Vermilion Parish, Louisiana.
- 2. To create a single drilling and production unit for this zone and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
 - 3. To designate a unit operator and a unit well for the unit so created.
- 4. To provide that any well drilled outside of the Discorbis Zone, Reservoir A, shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
- 5. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
 - 6. To discuss any other matters that may be pertinent to this application.

The Discorbis Zone, Reservoir A, in the Andrew Field, Vermilion Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 10,831' and 11,282' (electrical log measurements) in the Quest Exploration, LLC - L.H. Abshire No. 1 Well, located in Section 11 Township 11 South, Range 2 East, Vermilion Parish, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for <u>POSTING</u> of the legal notice of the hearing and unit plat in a prominent place in the area of the Andrew Field, Vermilion Parish, Louisiana, and will cause the legal notice of the hearing to be <u>PUBLISHED</u> in a newspaper of general circulation published in the vicinity of the Andrew Field, Vermilion Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from Cambe Geological Services, Inc., 1500 Gray St., Houston, Texas 77002 (713)659-8363.

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on June 14, 2004, at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. Bill McAlister, representing Hilliard Petroleum, Inc., concerning the nature and purpose of the conference and the bases for the applicant's proposed unit.

Mr. David Sturlese, representing the Duhon Estate, presented a counterplan that has a western line approximately 450 feet further west than the applicant's plan. The meeting was adjourned with the understanding that the applicant would attempt to resolve differences with Mr. David Sturlese prior to the public hearing.

There are attached hereto and made a part hereof a plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties and proposed unit plat (being the same plat attached to the May 24, 2004 preapplication notice) are being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said plat and the list of parties will be provided to any party requesting copies. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Hilliard Petroleum, Inc., in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES

Bill McAlister, Jr.

BMJr/cu Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road, Brandywine III, Suite 220
Lafayette, Louisiana 70508-4284

Interested Parties, Interested Owners and Represented Parties

